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Executive Committee

PREPARATION OF A SUCCESSOR AGREEMENT TO THE INTERNATIONAL COCOA AGREEMENT, 1986

Draft of articles 1, 26, and 27 as cleared by the Legal Drafting Committee

PART ONE: OBJECTIVES AND DEFINITIONS

CHAPTER I. OBJECTIVES

Article 1

Objectives

The objectives of the International Cocoa Agreement, 1993 (hereinafter referred to as this Agreement), in the light of the resolution 93(IV), of the New Partnership for Development: the Cartagena Commitment and of the relevant objectives contained in "The Spirit of Cartagena" adopted by the United Nations Conference on Trade and Development, are:

(a) To promote the development and strengthening of international cooperation in all sectors of the world cocoa economy;

(b) To contribute towards stabilization of the world cocoa market in the interest of all members, by seeking, in particular:

(i) To bring about the balanced development of the world cocoa economy by seeking to facilitate the necessary adjustments in production and to promote consumption so as to secure an equilibrium in the medium and long term between supply and demand;

(ii) To assure adequate supplies at reasonable prices equitable to producers and consumers;

(c) To facilitate the expansion of international trade in cocoa;

(d) To promote transparency in the working of the world cocoa economy through the collection, analysis and dissemination of relevant statistics and the undertaking of appropriate studies;

(e) To promote scientific research and development in the field of cocoa;

(f) To provide an appropriate forum for the discussion of all matters relating to the world cocoa economy.

Article 26

Relationship with the Common Fund For Commodities

1. The Organization shall take full advantage of the facilities of the Common Fund for Commodities.

2. In respect of the implementation of any project funded under the Second Account of the Common Fund for Commodities, the Organization, as a designated International Commodity Body, shall not incur any financial obligation including for guarantees given by individual members or other entities. Neither the Organization, nor any member by reason of its membership in the Organization shall be responsible for any liability arising from borrowing or lending by any other member or entity in connection with such projects.

PART FOUR: ECONOMIC PROVISIONS

CHAPTER VI. SUPPLY AND DEMAND

Article 27

Cooperation among members

1. Members recognize the importance of ensuring the greatest possible growth of the cocoa economy and therefore of co-ordinating their efforts to encourage the balanced development of production and consumption so as to secure the best equilibrium between supply and demand. They shall cooperate fully with the Council in the attainment of this objective.

2. The Council shall identify the obstacles to the harmonious development and the dynamic expansion of the cocoa economy and shall seek mutually acceptable practical measures designed to overcome these obstacles. Members shall endeavour to apply the measures elaborated and recommended by the Council.

3. The Organization shall collect and keep up to date the available information needed to establish, in the most reliable way, the world's current and potential consumption and production capacity. In this respect, members shall cooperate fully with the Organization.